

FINAL STATEMENT OF REASONS

- a) Specific Purpose of the Regulations and Factual Basis for Determination that Regulations Are Necessary

Section 63-300.5(g)(3)(C)

Specific Purpose:

This section is being amended to add the reduction of work effort to the voluntary quit requirement, add a reference citation, and clarify the verification of a questionable good cause claim.

Factual Basis:

These amendments are necessary to conform to 7 CFR 273.7(j)(1) and (i)(4) which provide the voluntary quit and the reduction of work effort provision and the questionable good cause requirement, respectively.

Section 63-407.5

Specific Purpose:

This section is being amended to revise the title by removing “Sanctions” and adding “Disqualifications.”

Factual Basis:

This change is needed to clarify the differences between the two terms. A CalWORKs sanction may be cured while a food stamp disqualification cannot. To use these terms interchangeable is confusing to the reader and may lead to misapplication of federal law.

Section 63-407.52

Specific Purpose:

This section is being amended to rephrase what information must be included in a food stamp notice of adverse action; state an individual may apply for food stamps after a disqualification period has ended; amend a reference citation; replace the term “sanction” with “disqualification,” and make minor sentence structural changes.

Factual Basis:

These amendments are necessary to comply with Question No. 2 of the Food and Nutrition Service (FNS) letter dated November 13, 2001, which provides the policy interpretation for

ending a disqualification period; conform to 7 CFR 273.7(f)(1)(ii) and (g) which contain the provisions for notification and ending a disqualification period, respectively; and correct the reference citation typing error. The terminology amendment is necessary to clarify the differences between the terms. A CalWORKs sanction may be cured while a food stamp disqualification cannot. To use these terms interchangeable is confusing to the reader and may lead to misapplication of federal law. Other changes are editorial and needed for clarity and ease of use.

Final Modification:

This section is being modified to correct the reference citation and comply with the FNS policy interpretation received on September 16, 2003, regarding the resumption of food stamps without reapplying if a disqualification is ended by an exemption. FNS states an individual must reapply to receive food stamps when it is determined that he/she is exempt from the food stamp work requirements during a disqualification period.

Section 63-407.53

Specific Purpose:

This section is being amended to revise, add, and correct reference citations; remove language requiring an individual to reapply for food stamps when the individual qualifies for a work registration exemption; replace the term “sanction” with “disqualification,” and make minor sentence structure changes.

Factual Basis:

These amendments are necessary to provide clarity when referencing specific citations; comply with 7 CFR 273.7(g), which provides the requirements for ending a disqualification period; and make minor changes to ensure ease of use. The terminology amendment is necessary to clarify the differences between the terms. A CalWORKs sanction may be cured while a food stamp disqualification cannot. To use these terms interchangeable is confusing to the reader and may lead to misapplication of federal law.

Final Modification:

This section is being modified to replace welfare-to-work with an acronym for continuity and has no regulatory impact. It is also being modified to comply with the FNS policy interpretation received on September 16, 2003, regarding the resumption of food stamps without reapplying if a disqualification is ended by an exemption. FNS states that an individual must reapply to resume receipt of food stamps when it is determined that he/she is exempt from the food stamp work requirements during a disqualification period. This section is being further modified to add underscore to the reference citation, which is being amended, and adopts language that provides when the disqualification period shall begin. The underscore was inadvertently left off the original emergency package.

Sections 63-407.531, .532, and .533

Specific Purpose:

These sections are being amended by removing language that requires an individual to comply before the food stamp disqualification period ends. The term “sanction” is being replaced with “disqualification.”

Factual Basis:

These amendments are necessary to conform to 7 CFR 273.7(g), which provides the requirements for ending a disqualification period. Following the end of the minimum one-, three-, or six-month disqualification, an individual may be approved for food stamps if he/she is otherwise eligible and is in compliance with food stamp work registration requirements. The terminology amendment is necessary to clarify the differences between the terms. A CalWORKs sanction may be cured while a food stamp disqualification cannot. To use these terms interchangeable is confusing to the reader and may lead to misapplication of federal law.

Section 63-407.55 et seq.

Specific Purpose:

This section is being repealed because the content is being relocated and restated in Section 63-408 et seq.

Factual Basis:

This repeal is necessary to remove language that applies to the reduction of work effort from the work registration requirement sections, provide continuity in the flow of the regulations, and ensure ease of use.

Sections 63-407.6 and .61

Specific Purpose:

These sections are being amended to revise the title; add that an individual may apply for food stamps after a disqualification period ends; replace the term “sanction” with “disqualification,” and state that approval of such an application shall be based on if the individual is determined by the CWD to be in compliance with the food stamp work registration requirements.

Factual Basis:

These amendments are necessary to clarify the title; make minor editorial changes; comply with 7 CFR 273.7(g), which contains the provisions for ending a disqualification period; and conform to Question No. 2 of the FNS letter dated November 13, 2001, which specifies

a disqualification period may end with compliance to the food stamp work registration requirement. Without these changes, CWDs may disallow benefits to an individual who has complied with the food stamp work registration requirements but has not resolved the specific violation. Such an action by CWDs would cause a food stamp error and federal financial penalties for California. The terminology amendment is necessary to clarify the differences between the terms. A CalWORKs sanction may be cured while a food stamp disqualification cannot. To use these terms interchangeable is confusing to the reader and may lead to misapplication of federal law.

Section 63-407.611

Specific Purpose:

This section is being amended to specify an individual, who is being disqualified and becomes exempt from the food stamp work registration, may resume eligibility without reapplying for food stamp benefits.

Factual Basis:

This amendment is necessary to conform to Question No. 2 of the FNS letter dated November 13, 2001 and 7 CFR 273.7(g), which provide the provisions for ending a disqualification period. Without this change, CWDs may disallow exempt individuals, who are under a disqualified, from receiving food stamps until they reapply for benefits. Such an action would result in a food stamp error and federal financial penalties for California.

Final Modification:

This section is being modified to correct a reference citation and comply with an FNS policy interpretation received on September 16, 2003, regarding the resumption of food stamps without reapplying if a disqualification is ended by an exemption. FNS states an individual must reapply to resume receipt of food stamps when it is determined that he/she is exempt from the food stamp work requirements during a disqualification period.

Section 63-407.612 et seq.

Specific Purpose:

This section is being repealed because it no longer applies to how a disqualification period may be ended.

Factual Basis:

The repeal of this section is necessary to conform to Question No. 2 of FNS letter dated November 13, 2001, which specifies how a disqualification period may be ended, which is specified in Sections 63-407.61 and .611; Question No. 4 of FNS letter dated August 27, 2001, which clarifies how the receipt of food stamps may resume; and 7 CFR 273.7(g), which provides the requirements for ending a disqualification period.

Section 63-407.62

Specific Purpose:

This section is being amended to restructure the section and to clarify that the reference citation applies to the ABAWD work requirements.

Factual Basis:

These changes are necessary to clarify the reference citation and to ensure ease of use.

Final Modification:

This section is being restructured to clearly state that if an ABAWD is disqualified for failing to comply with a food stamp work requirement and has used his/her three countable months, the ABAWD may become eligible for food stamps after the disqualification period has ended if he/she complies with the ABAWD work requirements or during the disqualification period if he/she meets one of the ABAWD exemptions. These changes are necessary to ensure CWDs understand that ABAWDs may regain eligibility after a disqualification period has ended. These changes are editorial and have no regulatory impact.

Sections 63-407.8, .811, and .811(c)(2) et seq.

Specific Purpose:

These sections are being amended to add the FSET acronym in Section 63-407.8; restructure the transportation provision; repeal the \$25 cap for reimbursement of transportation and ancillary expenses; and adopt language specifying the transportation and ancillary reimbursement shall be determined by CWDs.

Factual Basis:

These amendments are necessary to comply with 7 U.S.C. 2015(d)(4)(I)(i)(I) and 7 U.S.C. 2025(h)(3), as revised by Section 4121(c) and (d) of the Food Stamp Reauthorization Act of 2002 (P.L. 107-171), which repealed the \$25 cap for transportation and ancillary expense reimbursements. The other changes are editorial and provide clarity. Without these amendments, CWDs may make underpayments for transportation and ancillary reimbursements resulting in a food stamp error and federal financial penalties for California.

Final Modification:

This section is being modified by replacing “registrants” with “individuals.” This change is editorial and is for continuity and has no regulatory impact.

Section 63-407.83

Specific Purpose:

This section is being amended to remove a date that is obsolete, the reference to Section 63-407.833, which is being deleted from the regulations, and the reference to a specified amount for cost reimbursement that no longer applies.

Factual Basis:

These changes are necessary to comply with 7 U.S.C. 2015(d)(4)(I)(i)(I) and 7 U.S.C. 2025(h)(3) as revised by Sections 4121(c) and (d) of the Food Stamp Reauthorization Act of 2002 (P.L. 107-171), which repealed the \$25 cap for transportation and ancillary expense reimbursements, and ensure continuity within the food stamp regulations.

Sections 63-407.831 and .831(a)

Specific Purpose:

These sections are being amended to repeal the transportation and ancillary reimbursement cap and adopt language specifying that the transportation and ancillary costs necessary to participate in the FSET program shall be based on the level of reimbursement determined by the CWD. It also specifies what ancillary expenses are covered by the FSET program; that the level of reimbursement and advance shall be defined in the county FSET plan; and that the policy and procedures for reimbursement shall be made available to FSET participants.

Factual Basis:

These amendments are necessary to comply with 7 U.S.C. 2015(d)(4)(I)(i)(I) and 7 U.S.C. 2025(h)(3) as revised by Sections 4121(c) and (d) of the Food Stamp Reauthorization Act of 2002 (P.L. 107-171), which repealed the cap on transportation and ancillary reimbursements. The relocation of language from Section 63-407.833 is necessary for continuity within the food stamp regulations and ease of use. The adoption of the provisions directing CWDs to develop policies and procedures for the reimbursement of transportation and ancillary expenditures, the inclusion of such information in the county FSET plan, and availability of these policies to FSET participant is necessary to ensure the equitable application of such procedures throughout a county. Section 63-407.831(a) is necessary to comply with 7 CFR 273.7(d)(3) which clarifies types of costs approved for ancillary reimbursements. Without these changes, CWDs may make underpayments for transportation and ancillary expenses resulting in a food stamp error and federal financial penalties for California.

Final Modification:

This section is being modified to add definitions for reasonable and necessary costs for transportation and ancillary expenses at Sections 63-407.831(b) and (c). This change is

necessary to ensure CWDs apply the reimbursement provision equitably to all FSET participants and is consistent with CalWORKs WTW program. Without this modification, California could be presented with a class action lawsuit resulting in financial penalties.

Section 63-407.833

Specific Purpose:

This section is being deleted because it is redundant. The reimbursement requirements are provided in Sections 63-407.831 and .831(a); the State Plan requirements are located in Section 63-407.842; and the \$25 cap on transportation reimbursement has been repealed.

Factual Basis:

These changes are necessary for ease of use and for compliance with 7 U.S.C. 2015(d)(4)(I)(i)(I) and 7 U.S.C. 2025(h)(3) as revised by Sections 4121(c) and (d) of the Food Stamp Reauthorization Act of 2002 (P.L. 107-171), which repealed the \$25 cap for transportation and ancillary expense reimbursements.

Section 63-408

Specific Purpose:

This section is being amended to adopt the “and Reduction of Work Effort” in the title; repeal the first and third sentences of the opening paragraph; and renumber the second and fourth sentences to Sections 63-408.111 and .112 with amendments.

Factual Basis:

The amendment to the title is necessary to conform to 7 CFR 273.7(j) which includes the reduction of work effort and voluntary quit provisions. All references to reduction of work effort in food stamp regulations are being relocated to Section 63-408 et seq. The renumbering and reformation of the title and opening paragraph into other subsections are necessary to guarantee consistency, provide clarity, and ensure ease of use.

Section 63-408.1

Specific Purpose:

Existing Section 63-408.1 is being renumbered to Section 63-408.211. A new Section 63-408.1, the general rule for voluntary quit and reduction of work effort, is being adopted to provide an overview for the following subsections.

Factual Basis:

These amendments are necessary to reorganize the good cause provision for the voluntary quit and reduction of work effort under Section 63-408 et seq. These changes are needed to

specify the general rules that apply to food stamp recipients or applicants who voluntarily quit or reduce work efforts to less than 30 hours per week. They are also necessary to conform to 7 CFR 273.7(j)(2) which specifies when an individual is ineligible to participate in the Food Stamp Program.

Section 63-408.11

Specific Purpose:

Existing Section 63-408.11 is being renumbered to Section 63-408.211(a). The new Section 63-408.11 is being adopted to stipulate when a voluntary quit or reduction of work effort occurs, state the work hours per week for voluntary quit are 30 or more, and specify that a voluntary quit must take place within 60 days prior to application for food stamps without good cause for an individual to be disqualified from receiving food stamps.

Factual Basis:

These amendments are necessary to conform to 7 CFR 273.7(j)(2)(i) and (3)(ii) which provide the voluntary quit and reduction of work effort provision for changes in employment status.

Final Modification:

This section is being modified to restructure the second sentence to clearly state if a voluntary quit occurs within 60 days to the date of application without a good reason, the application shall be denied. It is also being changed to add how long a disqualification period will be and the reference citation. These changes are needed for clarity and have no regulatory impact.

Section 63-408.111 [Renumbered from Section 63-408 (introductory paragraph) in part.]

Specific Purpose/Factual Basis:

This section is being renumbered from the introductory paragraph of Section 63-408 (fourth sentence) without changes. The renumbering is necessary to provide continuity within the regulations and to ensure ease of use.

Section 63-408.112 [Renumbered from Section 63-408 (introductory paragraph) in part.]

Specific Purpose/Factual Basis:

This section is being renumbered from the introductory paragraph of Section 63-408 (second sentence) with amendments that are editorial. These changes are necessary to ensure consistency within the food stamp regulations, ease of use, and have no regulatory impact.

Section 63-408.12

Specific Purpose:

Existing Section 63-408.12 is renumbered to Section 63-408.213(a). The new Section 63-408.12 is being adopted to define the reduction of work effort under the voluntary quit provision and to specify when a reduction of work effort will not impact food stamp eligibility.

Factual Basis:

The adoption of the reduction of work effort requirement within the voluntary quit section is necessary for continuity and to conform to 7 CFR 273.7(j)(3)(iii), which provides the reduction of work effort requirement. Without these changes, the reduction of work effort provision will be scattered throughout the food stamp regulations, which could lead to misinterpretation of the federal law resulting in food stamp errors and federal financial penalties for California.

Final Modification:

This section is being modified to restructure the second sentence to clearly state if a reduction of work effort occurs within 60 days to the date of application without a good reason, the application shall be denied. It is also being changed to add how long a disqualification period will be and the reference citation. These changes are needed for clarity and have no regulatory impact.

Section 63-408.121

Specific Purpose:

This section is being amended to repeal the 90-day denial period and adopt language stating, if an individual reduces work effort in a job that is already less than 30 hours per week, the reduction of work effort disqualification shall not apply. New language is being added to specify that the minimum wage equivalent does not apply to reduction in work effort.

Factual Basis:

These amendments are necessary to comply with 7 CFR 273.7(f)(2) and (j)(3)(iii), which provide the disqualification, determination of voluntary quit or reduction of work effort, and without good cause provisions. Without these changes, CWDs will make food stamp errors that will result in federal financial penalties for California.

Final Modification:

The last sentence of this section is being modified to change equivalent to equivalency. This change is editorial and has no regulatory impact.

Sections 63-408.122 and .13

Specific Purpose:

These sections are being repealed to remove the 90-day penalty period and the section referring to an instance of noncompliance for determining length of food stamp sanctions.

Factual Basis:

These amendments are necessary to conform to 7 CFR 273.7(f)(2) and (j), which revised the disqualification periods and voluntary quit and reduction of work effort provision.

Section 63-408.14 (Renumbered to Section 63-408.214.)

Specific Purpose/Factual Basis:

This section is being renumbered to Section 63-408.214. The renumbering of this section is necessary to ensure consistency within the food stamp regulations as it applies to voluntary quit or reduction of work effort.

Sections 63-408.2 and .21

Specific Purpose:

Existing Sections 63-408.2 and .21 are being renumbered to Sections 63-408.221 and .222. The title “Good Cause Determination, Notification, and Disqualifications” is being adopted as the new Section 63-408.2. The new Section 63-408.21 provides the title “Applicant Household” for the following subsections.

Factual Basis:

These amendments are necessary to provide continuity within the voluntary quit and reduction of work effort provision and have no regulatory impact.

Section 63-408.211 (Renumbered from Section 63-408.1.)

Specific Purpose:

Existing Section 63-408.211 is being renumbered to Section 63-408.222(a). Section 63-408.1 is being renumbered to Section 63-408.211 with amendments which include the standardization of the use of the term reduction of work effort when referencing decrease of employment hours in the voluntary quit provision. The repeal of the second sentence is necessary to remove a statement that is no longer contained in federal regulations as a reference or definition of an unemployed household member.

Factual Basis:

The renumbering and restructuring of this section are necessary to ensure consistency within the food stamp regulations. The amendments in new Section 63-408.211 are necessary to conform to 7 CFR 273.7(j)(3)(iv) and (v), which include the reduction of work effort with the voluntary quit provision, and remove language that is inconsistent with federal law at 7 CFR 273.7(i)(3)(ii). Other changes are editorial and have no regulatory impact.

Section 63-408.211(a) (Renumbered from Section 63-408.11.)

Specific Purpose:

This section is being renumbered from Section 63-408.11 with amendments, which add the reduction of income and reduction of work effort as they apply to the loss of a household's earned resources and to make editorial corrections.

Factual Basis:

The renumbering and reorganization of this new section is necessary for continuity within the regulations and ease of use. The adoption of reduction of work effort and other amendments are necessary to conform to 7 CFR 273.7(j)(3)(iv), which requires CWDs to determine if voluntary quit or reduction of work effort occurred when there is a decrease of income in a household.

Sections 63-408.212 and .212(a)

Specific Purpose:

Existing Sections 63-408.212 and .212(a) are being renumbered to Sections 63-408.222(b) and .222(b)(1). New language is being adopted at Section 63-408.212 to specify that good cause determination must be made when determining whether a voluntary quit or reduction of work effort occurred when applying for food stamps.

Factual Basis:

The renumbering and reorganization of these sections are necessary to ensure consistency within the food stamp regulations. The new Section 63-408.212 is necessary to conform to 7 CFR 273.7(j)(3)(v), which provides the good cause provisions for voluntary quit and reduction of work effort.

Section 63-408.213

Specific Purpose:

Existing Section 63-408.213 is being renumbered to Section 63-408.222(d). New language is being adopted in Section 63-408.213 that applies to the denial of food stamps based on

voluntary quit or reduction of work effort without good cause; describes the length of the disqualification periods and when the disqualification period begins; and defines the individual household member as the ineligible individual.

Factual Basis:

The renumbering and reorganization of this section is necessary to ensure consistency within the food stamp regulations. The new Section 63-408.213 is necessary to conform to 7 CFR 273.7(j)(3)(vi), which determines if a member of an applicant household to be ineligible and disqualified when he or she voluntarily quits or reduces work effort without good cause. The disqualification periods are being added for clarification.

Final Modification:

This section is being modified to replace “individual” with “household member” to be consistent within the section, which applies to “applicant households.” This change is for continuity and has no regulatory impact.

Section 63-408.213(a) (Renumbered from Section 63-408.12.)

Specific Purpose:

This section is being renumbered from Section 63-408.12 with amendments. The language applying to the 90-day denial period is repealed and new language specifying how an individual shall be notified as well as when he/she can reapply for food stamps are being adopted.

Factual Basis:

The renumbering and reorganization of this section are necessary to ensure consistency in the food stamp regulations. The amendments are necessary to conform to 7 CFR 273.7(j)(3)(vi), which provides the requirement for notification; 7 CFR 273.7(f)(2), which replaced the 90-day denial period with specific lengths of times of disqualification; and 7 CFR 273.2(g)(3), which provides the notice of denial requirements. Other amendments are editorial and have no regulatory impact.

Final Modification:

This section is being modified to conform to 7 CFR 273.7(j)(3)(vii), which states an individual must be informed of how he/she may regain food stamp eligibility before a disqualification period begins and complies with the FNS policy interpretation received on September 16, 2003, which states an individual must reapply to resume receipt of food stamps when it is determined that he/she is exempt from the food stamp work requirements during a disqualification period.

Section 63-408.214

Specific Purpose:

Existing Section 63-408.214 is being renumbered to Section 63-408.222(e). Existing Section 63-408.14 is being renumbered to Section 63-408.214 with minor amendments, which include adding the reduction of work effort and correcting the reference citation. This section is also being amended to replace the term “sanction” with “disqualification.”

Factual Basis:

These amendments are necessary to provide the correct reference citation, continuity within the regulations, and to conform to 7 CFR 273.7(j)(3)(vii), which includes the reduction of work effort with the voluntary quit provision. The terminology amendment is necessary to clarify the differences between the terms. A CalWORKs sanction may be cured while a food stamp disqualification cannot. To use these terms interchangeable is confusing to the reader and may lead to misapplication of federal law.

Section 63-408.22

Specific Purpose/Factual Basis:

Existing Section 63-408.22 is being renumbered to Section 63-408.224. A new title is being adopted to define the following subsections. These changes are necessary to ensure consistency within the regulations and ease of use.

Section 63-408.221 (Renumbered from Section 63-408.2.)

Specific Purpose:

This section is being renumbered from Section 63-408.2 with amendments, which include adding reduction of work effort below 30 hours per week, reduction in income, and good cause.

Factual Basis:

These amendments are necessary to provide continuity within the regulations and conform to 7 CFR 273.7(j)(3)(iv) and (v), which provide the requirements for reduction of work effort, loss of earned income within good cause, and determination of voluntary quit or reduction of work effort. Other amendments are editorial and have no regulatory impact.

Section 63-408.222 (Renumbered from Section 63-408.21.)

Specific Purpose:

This section is being renumbered from Section 63-408.21 with minor amendments to include reduction of work effort as part of the voluntary quit provision. The term “sanction” is being replaced with “disqualification.”

Factual Basis:

The renumbering and reorganization of this section is necessary to ensure continuity within the food stamp regulations. These amendments are necessary to comply with 7 CFR 273.7(j)(3)(vii), which provides the notification requirements for determining voluntary quit and reduction of work effort without good cause. The terminology amendment is necessary to clarify the differences between the terms. A CalWORKs sanction may be cured while a food stamp disqualification cannot. To use these terms interchangeable is confusing to the reader and may lead to misapplication of federal law. Other changes are editorial and have no regulatory impact.

Sections 63-408.222(a) through (e) (Renumbered from Sections 63-408.211 through .214.)

Specific Purpose:

These sections are being renumbered from Sections 63-408.211 through .214 with editorial amendments. Renumbered Sections 63-408.222(b) and (b)(1) are also being amended to replace the term “sanction” with “disqualification.” The new Section 63-408.222(c) is being adopted to specify that an individual may reapply for food stamps after a disqualification period ends.

Factual Basis:

The renumbering and reorganization of these sections are necessary to ensure continuity within the food stamp regulations. The amendments are necessary to conform to 7 CFR 273.7(j)(3)(vii), which provides the notification requirements for voluntary quit or reduction effort without good cause, and to ensure clarity and ease of use. The terminology amendment is necessary to clarify the differences between the terms. A CalWORKs sanction may be cured while a food stamp disqualification cannot. To use these terms interchangeable is confusing to the reader and may lead to misapplication of federal law. Other changes are editorial and have no regulatory impact, but are necessary for clarity.

Final Modification:

Sections 63-408.222(b)(1), (c), and (e) are being modified to replace “registrant” with “household member” for continuity and have no regulatory impact. Section 63-408.222(b)(1) is further amended to replace the phrase "resume receipt of" with "reapply for" for continuity and have no regulatory impact. Section 63-408.222(c) is further amended to add the word "ends" for clarity.

Section 63-408.223

Specific Purpose:

This section is being adopted to state that a person disqualified for voluntary quit or reduction of work effort without good cause must be considered an ineligible household member.

Factual Basis:

This adoption is necessary to comply with 7 CFR 273.7(j)(3)(vii), which provides the provisions for voluntary quit and reduced work effort without good cause.

Sections 63-408.224 and .225 (Renumbered from Sections 63-408.22 and .23.)

Specific Purpose:

These sections are being renumbered from Sections 63-408.22 and .23 with editorial and regulatory amendments. New language is being adopted in Section 63-408.225 to specify when the voluntary quit and a reduction of work effort disqualification period begins.

Factual Basis:

The renumbering and reorganization of these sections are necessary to ensure continuity within the regulations. The amendments are necessary to comply with 7 CFR 273.7(j)(3), which contains the requirements for determining whether a voluntary quit or reduction of work effort occurred during the application process. Replacing the term “sanction” with “disqualification” is necessary to clarify the differences between the terms. A CalWORKs sanction may be cured while a food stamp disqualification cannot. To use these terms interchangeable is confusing to the reader and may lead to misapplication of federal law. Other changes are editorial and necessary for ease of use.

Final Modification:

This section is being modified by replacing “registrant” with “household member” for continuity and has no regulatory impact.

Section 63-408.3 et seq.

Specific Purpose:

This section is being amended to change the title for clarification, delete exemption language that applies to individuals on strike, and add language to clarify who is excused from disqualification provisions.

Factual Basis:

These amendments are necessary to remove language regarding strikers from the food stamp regulations that is inconsistent with 7 CFR 273.7(b)(1) and (2), which provide that individuals dismissed due to a strike will be considered to have voluntarily quit without good cause. The added language is necessary to identify if individuals are exempt from disqualification due to work registration exemption. A reference citation is added for clarity.

Final Modification:

Section 63-408.31 is being modified to delete “registration” and add “requirement” and to comply with the FNS policy interpretation received on September 16, 2003, which states an individual must reapply for food stamps when it is determined that he/she is exempt from the food stamp work requirements during a disqualification period. The change of “registration” to “requirement” is editorial and is being made for continuity and has no regulatory impact.

Sections 63-408.4 and .41

Specific Purpose:

These sections are being amended to edit the title, add the reduction of work effort, and make minor editorial changes.

Factual Basis:

These amendments are necessary to correct a typing error in the title, make minor grammatical changes, and conform to 7 CFR 273.7(j), which provides the provisions for voluntary quit and reduction of work effort. These amendments are necessary to ensure continuity in the regulations and to provide clarity.

Sections 63-408.41(e) and (f)

Specific Purpose:

These sections are being amended to repeal good cause language that is in conflict with federal regulations.

Factual Basis:

These amendments are necessary to conform to 7 CFR 273.7(i)(3)(iii), which states good cause may be granted if an individual or other household member enrolls in an institution of higher education on a least a half time basis that requires the individual to leave employment. It does not say the education must be preparatory to seeking a better job or employment. Without these changes, individuals may be denied food stamps for reducing

their work hours or voluntarily quitting a job to attend college, which would result in a food stamp error and federal financial penalties for California.

Final Modification:

Section 63-408.41(e) is being modified by replacing "work registrant" and "registrant" with "individual" for continuity and has no regulatory impact.

Section 63-408.41(h)

Specific Purpose:

This section is being amended to replace 20 hours with 30 hours per week as it applies to work per week or equivalent to the federal minimum wage for food stamp work registrants and make minor editorial changes.

Factual Basis:

These amendments are necessary to comply with 7 CFR 273.7(i)(3)(vii), which specifies good cause provisions for leaving employment. Without this amendment, CWDs will continue to determine a reduction of work effort or voluntary quit based on the 20 hours per week, which will result in a food stamp error and federal financial penalties for California. Other changes are editorial and are needed for clarity and ease of use.

Final Modification:

This section is being modified by replacing "work registrant" with "individual" for continuity and has no regulatory impact.

Section 63-408.41(i)

Specific Purpose/Factual Basis:

This section is being amended to correct a typing error. The amendment is necessary for clarity and to ensure ease of use.

Section 63-408.5

Specific Purpose:

This section is being amended to add reduction of work effort, delete the references to Sections 63-300.53 and .533, and adopt the citation reference to Section 63-300.5(g)(3)(C).

Factual Basis:

The repeal of the reference citations is necessary as they are incorrect, reference to the new citation is necessary for ease of use, and the addition of the reduction of work effort is

necessary to conform to 7 CFR 273.7(i)(4), which provides the requirements for verification of questionable good cause information for voluntary quit and reduction of work effort.

Section 63-408.6

Specific Purpose:

This section is being amended to add “or Reduction of Work Effort” in the title.

Factual Basis:

This change is necessary to conform to 7 CFR 273.7(j) and (j)(4), which include the reduction of work effort provision with the voluntary quit requirements and the ending of a disqualification period, respectively.

Section 63-408.61

Specific Purpose:

This section is being amended to clarify that a sanctioned individual may reapply for food stamps and participate in the Food Stamp Program after the disqualification period has ended if otherwise eligible.

Factual Basis:

These amendments are necessary for clarity and to conform to 7 CFR 273.7(j)(4), which provides the requirements for ending a voluntary quit or reduction of work effort disqualification period, and to comply with Question No. 2 of FNS letter dated November 13, 2001. Without these changes, CWDs may deny individuals access to participate in the Food Stamp Program after a disqualification period has ended resulting in a food stamp error and a federal financial penalty for California.

Section 63-408.611

Specific Purpose/Factual Basis:

This section is being repealed to comply with Question No. 2 of FNS letter dated November 13, 2001 and 7 CFR 273.7(j)(4), which provide the requirements for ending a voluntary quit or reduction of work effort disqualification period.

Section 63-408.62 (Renumbered from Section 63-408.612 et seq.)

Specific Purpose:

This section is renumbered from Sections 63-408.612 and .612(a) and amended to repeal reference citations, adopt language clarifying that disqualified individuals, who become exempt, shall reestablish receipt of food stamp benefits without reapplying.

Factual Basis:

These amendments are necessary to delete certain exemption restrictions for voluntary quit and work reduction to comply with 7 CFR 273.7(b) and (j)(4), which provide the exemption, and voluntary quit and reduction of work effort requirements, respectively.

Final Modification:

This section is being modified to replace the term "benefits" with "eligibility" for continuity within the regulations, which has no regulatory impact. It is further being modified to comply with the FNS policy interpretation received on September 16, 2003, which states an individual must reapply for food stamps when it is determined that he/she is exempt from the food stamp work requirements during a disqualification period.

Section 63-408.63

Specific Purpose:

This section is being adopted to state that an application filed in the final month of a food stamp disqualification period must be used for both the denial of benefits for the remaining month of disqualification and for certification of benefits for subsequent months.

Factual Basis:

This adoption is necessary to conform to 7 CFR 273.7(j)(5), which provides the requirements for the application in the final month of disqualification.

Section 63-408.64 (Renumbered from Section 63-408.62.)

Specific Purpose:

This section is being renumbered from Section 63-408.62 to Section 63-408.64, with minor amendments.

Factual Basis:

The renumbering is necessary to accommodate the reorganization of Section 63-408.62 and the adoption of Section 63-408.63. The addition of ABAWD is for clarity and the removal of the reference citation is for ease of use.

Final Modification:

This section is being restructured to clearly state that if an ABAWD is disqualified for quitting a job or reducing his/her work effort below 30 hours per week without good cause and has used his/her three countable months, the ABAWD may become eligible for food stamps after the disqualification period has ended if he/she complies with the ABAWD

work requirements or during the disqualification period if he/she meets one of the ABAWD exemptions. These changes are necessary to ensure CWDs understand that ABAWDs may regain eligibility after a disqualification period has ended. These changes are editorial and have no regulatory impact.

Sections 63-410.2, .22, and .221

Specific Purpose:

These sections are being amended to revise the title; add a new subtitle; and adopt language that specifies that ABAWDs, who work less than 80 hours per month with good cause and continues to retain his/her job, shall have met the ABAWD work requirement for that month.

Factual Basis:

These amendments are necessary to shorten the title for ease of use; add a title to the subsection for clarity; and to comply with 7 CFR 273.24(b)(2), which provides good cause criteria for ABAWDs. Without making these changes, CWDs may not count a month an ABAWD has missed work with good cause toward meeting his/her ABAWD work requirement. Such an action would result in a food stamp error and federal financial penalties for California.

Final Modification:

Section 63-410.2 is being modified to add underscore for new language that is being added in the title. The underscore was inadvertently left off the original emergency package.

Section 63-410.222 (Post-Hearing Modification)

Specific Purpose:

This section is being adopted to specify that an ABAWD, who has missed work for good cause, will be considered to have complied with the FSET assignment and met the ABAWD work requirement for the month.

Factual Basis:

This section is necessary to conform to the FNS letter to CDSS, dated July 25, 2003, which states an ABAWD, who has missed work for good cause as determined by the CWD, shall be considered to have complied with his/her FSET assignment and met the ABAWD work requirement for the month.

Section 63-410.34

Specific Purpose:

Existing Section 63-410.34 is being renumbered to Section 63-410.35. A new Section 63-410.34 is being adopted to clarify how the ABAWD 15 percent exemption shall be applied as an exemption and how the exemption data is distributed to CWDs.

Factual Basis:

These amendments are necessary to comply with 7 CFR 273.24(g)(1) and (2), which provide the requirements for the 15 percent exemptions and exemption adjustments, respectively.

Sections 63-410.35 and .36 (Renumbered from Sections 63-410.34 and .35.)

Specific Purpose/Factual Basis:

These sections are being renumbered from Sections 63-410.34 and .35 with a change to the reference citation and editorial amendments. The renumbering and reorganization of these sections are necessary to accommodate the inclusion of new Section 63-410.34, ensure consistency in the food stamp regulations, and provide clarity.

Final Modification:

Renumbered Section 63-410.36 is being modified to add the phrase “by reapplying.” This amendment is necessary to comply with the FNS policy interpretation received on September 16, 2003, which states an individual must reapply to resume receipt of food stamps when it is determined that he/she is exempt from the ABAWD work requirement during a disqualification period.

Section 63-410.41

Specific Purpose:

This section is being amended to add countable months and to specify that a notice of action must be timely and adequate and make minor editorial changes.

Factual Basis:

The amendment adding “countable” is necessary to clarify that the months referred to in this section are “countable,” and apply to the three months individuals may receive food stamps without meeting their ABAWD work requirement. This amendment is also necessary to comply with 7 CFR 273.24(b)(1), which provides the provisions for countable months. The addition of “timely and adequate” is necessary to comply with 7 CFR 273.13, which provides the provisions for notices of adverse action. These changes are necessary to provide clarity and ease of use but have no regulatory impact.

Section 63-410.413

Specific Purpose:

This section is being amended to simplify existing language that applies to the presentation of evidence to justify good cause for not meeting the ABAWD work requirement during a countable month.

Factual Basis:

These amendments are necessary for clarity, to ensure ease of use, and to comply with 7 CFR 273.24(b)(2) and (c), which provide the provisions for good cause and exceptions, respectively, and 7 CFR 273.7(f)(1)(ii), which provides the provisions for notices of adverse action. This amendment to specify countable months is necessary for clarity and to comply with 7 CFR 273.24(b)(1), which provides the provisions for countable months.

Section 63-410.42

Specific Purpose:

This section is being amended to simplify existing language that requires CWDs to rescind a notice and restore benefits when an ABAWD presents evidence of good cause for not complying with the ABAWD work requirements.

Factual Basis:

These changes are necessary to provide clarity and ease of use but have no regulatory impact.

Section 63-410.52

Specific Purpose:

This section is being amended to correct the reference citation, make editorial changes, and add the start date for the three consecutive months upon failure to comply with workfare and an allowable work activity.

Factual Basis:

These amendments are necessary for clarity, for ease of use, and to conform to 7 CFR 273.24(e), which defines the start date for the three consecutive months for ABAWDs who have regained eligibility and stop complying with the ABAWD work requirement. Without adopting the start date information, CWDs may incorrectly deny ABAWDs the three additional consecutive months of food stamps without meeting their ABAWD work requirements, which would result in a food stamp error and federal financial penalties for California.

Final Modification:

This section is being modified to add “calendar” and “countable” to the text for clarification purposes. It is also being modified to conform to FNS letter to CDSS, dated July 25, 2003, which states an ABAWD’s three consecutive countable months shall begin the first month following the date the CWD learns and issues a notice that the individual is not satisfying the ABAWD work requirement. This clarification is necessary to ensure CWDs know when to begin the three consecutive countable month period. Other changes are for consistency and have no regulatory impact.

Section 63-410.523 (Post-Hearing Modification)

Specific Purpose:

This section is being repealed as it allows individuals, who have been discontinued after receiving their three consecutive countable months without meeting their ABAWD work requirement, to begin receiving food stamps as soon as they begin satisfying the ABAWD work requirement.

Factual Basis:

Repeal of this section is necessary to comply with 7 CFR 273.24(d)(1), which requires individuals to satisfy the monthly ABAWD work requirement for 30 days before being eligible to regain food stamp eligibility. Current state regulations are inconsistent with federal law in that it allows individuals discontinued after receiving the three consecutive countable months to re-establish food stamp eligibility the day they begin meeting the ABAWD work requirement. The repeal of this section was inadvertently left out of the original emergency regulation package.

Section 63-411.21

Specific Purpose:

This section is being amended to clarify that this provision applies to only ABAWDs and not necessarily all other non-CalWORKs California Food Assistance Program (CFAP) recipients; to delete the reference citation to Section 63-411.2 that is no longer necessary because of this clarification; and to correct the other reference citation to reflect the renumbering within the package.

Factual Basis:

These changes are necessary for clarity and ease of use.

Section 63-411.22

Specific Purpose:

This section is being adopted to provide when the 36-month calendar is to start for noncitizen ABAWDs participating in CFAP and are being restored to the federal food stamp program and when to start tracking noncitizen ABAWDs on the Medi-Cal Eligibility Data System (MEDS).

Factual Basis:

This adoption is necessary to comply with 8 U.S.C. 1612(a)(2) as revised by Section 4401(c) of the Food Stamp Reauthorization Act of 2002 (P.L. 107-171) and AN 03-04 dated October 21, 2002. Without making this change, CWDs may not establish the noncitizen ABAWD 36-month calendar period correctly, which may result in a food stamp error and federal financial penalties.

Section 63-411.3

Specific Purpose:

This section is being amended to add reduction of work effort when referring to Section 63-408 and for continuity within the food stamp regulations.

Factual Basis:

These changes are necessary to comply with 7 CFR 273.7(j) which provides the requirements for voluntary quit and reduction of work effort, and for clarity.

Section 63-503.442

Specific Purpose:

This section is being amended to adopt the ABAWD work requirement in the title, replace the term alien with noncitizen, and add the ABAWD discontinuance language. The other amendments are editorial only.

Factual Basis:

The added language is necessary to conform to 7 CFR 273.24(b)(4) and 7 CFR 273.11(c)(2), which provide the provisions for treatment of income and resources, and to provide continuity in the food stamp regulations. The change from alien to noncitizen is based on terminology currently being used in state regulations; the other amendments are editorial and necessary for continuity and clarity.

Section 63-505.34

Specific Purpose:

This section is being adopted to specify that ABAWDs, who are part of a monthly reporting household, shall report to the CWD when there is a reduction in hours worked to less than 80 hours averaged over the month.

Factual Basis:

These amendments are necessary to comply with 7 CFR 273.12(a)(1)(vii), .24(a)(1)(i), and .24(b)(7), which provide the requirements for reporting changes, fulfilling the ABAWD work requirement, and ABAWD reporting, respectively.

Sections 63-505.51 and .517

Specific Purpose:

Section 63-505.51 is being amended to add new Section 63-505.517 to the referenced citations. Section 63-505.517 is being adopted to specify that a nonmonthly reporting household must report a reduction in hours worked to less than 80 hours averaged over the month for purposes of determining whether the ABAWD requirement is being met.

Factual Basis:

These amendments are necessary to comply with 7 CFR 273.12(a)(1)(vii), .24(a)(1)(i) and .24(b)(7), which provide the requirements for reporting changes, fulfilling the ABAWD work requirement, and ABAWD reporting, respectively.

b) Identification of Documents Upon Which Department Is Relying

Public Law 107-171, the Farm Security and Rural Investment Act of 2002 which contains the Food Stamp Reauthorization Act of 2002, Sections 4121 and 4401.

7 U.S.C. 2015 and 2025

8 U.S.C. 1612

Administrative Notice 03-04, dated October 21, 2002, which provided additional implementation guidelines for restoration of federal food stamp benefits on April 1, 2003, for legal immigrants.

Administrative Notice 01-24 dated January 18, 2001 and attached federal regulation package which includes ABAWD regulations. These regulations were published in the Federal Register on January 17, 2001 (Volume 66, Number 11) and have an effective date of April 2, 2001 and an implementation date of August 1, 2001.

Administrative Notice 01-36 (not dated), which delayed the effective date of final ABAWD regulations to June 1, 2001, and Administrative Notice 01-43 dated June 6, 2001, which further delayed the effective date of the final ABAWD regulations to July 1, 2001 and delayed the required state implementation date to October 1, 2001.

Revised federal regulations governing the FSET program and the ABAWD work requirement. These regulations were published in the Federal Register on June 19, 2002 (Volume 67, Number 118) and have an effective date of August 19, 2002.

7 CFR 273.2, .7, .11, .12, .13, and .24

Letters from the USDA FNS Western Region to CDSS dated August 27, 2001 and November 13, 2001, which address food stamp disqualification policies.

Letter from FNS dated July 25, 2003.

FNS policy interpretation dated September 16, 2003.

c) Local Mandate Statement

These regulations impose a mandate on local agencies but not on school districts. There are no state mandated costs in these regulations which require state reimbursement under Section 17500 et seq. of the Government Code because any costs associated with the implementation of these regulations are costs mandated by the federal government.

d) Statement of Alternatives Considered

CDSS has determined that no reasonable alternative considered would be more effective in carrying out the purpose for which the regulations are proposed or would be as effective and less burdensome to affected private persons than the proposed action.

e) Significant Adverse Economic Impact On Business

CDSS has determined that the proposed action will not have a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

f) Testimony and Response

These regulations were considered as Item #1 at the public hearing held on September 17, 2003 in Sacramento, California. No written or oral testimony was received during the 45-day comment period from July 4, 2003 to 5:00 p.m. September 17, 2003.

g) 15-Day Renotice Statement

Pursuant to Government Code Section 11346.8, a 15-day renotice and complete text of modifications made to the regulations were made available to the public following the public hearing. No written testimony on the modifications renoticed for public comment from November 7, 2003 to November 21, 2003 was received.